reached the pre-war level. High prices still rule the market and the food problem continues to demand serious attention with the result that our control measures have to be in force for some time more. But our raw products such as rubber, timber, cocoanuts, etc. are in increasing demand and the inflationary tendency consequent on the plethora of money in the land is greatly in evidence. The revenues of the State are also correspondingly mounting up to unattained heights and in spite of the note of pessimism that I sounded in my last budget speech, our revenue realisations have far exceeded our anticipations. But with all that, it would be unwise to expect that our revenues will necessarily continue to keep up the present high level during the years to come, with pre-war conditions and normal price levels fully restored, although if our large reconstruction and industrial programmes go forward as anticipated, the future is bound to be bright. For this reason, the budget that I am presenting to the House for the next year is designed, as in the case of the budget we discussed last year, to be a budget for the future and not merely for the next year. Before approaching the budget estimates for the ensuing year through the revised estimates for the current year, I shall, as usual, briefly review the final accounts of the last completed financial year.

ACTUALS OF 1120.

2. In reviewing the budgetary position towards the close of last year in the light of the actual experience of the earlier months of the year, the revised estimates of revenue and ordinary expenditure for 1120 were fixed at Rs 607·12 lakhs and Rs 440·67 lakhs respectively, thus anticipating a revenue surplus of Rs 166·45 lakhs. But the year actually ended in a surplus of Rs 170·27 lakhs, which stands credited to the Post-War Reconstruction Fund. This increase of Rs 3·82 lakhs over the anticipated surplus was the net result of an improvement in revenue to the extent of Rs 4·13 lakhs offset by an excess of Rs ·31 of a lakh on the expenditure side. The major heads which contributed to the larger receipts were Customs, Excise and Taxes on Income. There was, however, a marked fall in revenue under Railways and Currency and Mint the former, due to increase in working expenses and the latter on account of their having been no mintage of silver coins during the year. The variation in expenditure being only to the extent of Rs ·31 of a lakh in an aggregate expenditure of Rs 440·98 lakhs calls for no special explanation.

3. On account of the war-time difficulties in getting machinery and other materials from abroad, difficulties which are still

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[Mr. S. Narayana Aiyar.]

seriously delaying our reconstruction programmes, the total expenditure on the capital side amounted only to Rs 57·62 lakhs, as against the revised forecast of Rs 72·80 lakhs.

REVISED ESTIMATES—1121.

4. I shall now pass on to the current year. When framing the budget estimates for 1121, we anticipated a revenue realisation of Rs 623·65 lakhs and provided for a programme of expenditure charged to revenue, of Rs 574·33 lakhs, inclusive of the expenditure of Rs 74·62 lakhs on Post-War Reconstruction schemes, thus expecting a net revenue surplus of Rs 49·32 lakhs. But on the basis of the figures booked so far and in the light of the actual experience of the previous months of the year, the revenue is estimated to go up to Rs 710·22 lakhs, which, as the House is perhaps not unaware, is second only to the revenues of Mysore and Hyderabad among the Indian States and far above the revenues of any other State. Our revised programme of expenditure charged to revenue, as at the close of the year, is to cover a range of Rs 574·38 lakhs, with the result that the year is expected to close with a revenue surplus of Rs 135·84 lakhs, as against the budget forecast of Rs 49·32 lakhs. As the variations between the budget and the revised estimates, both on the revenue and the expenditure sides, are, as usual, explained in the budget memorandum, copies of which are placed on the table along with copies of the budget estimates for 1122, I shall not tax the patience of the House by reiterating every little item of such variations and shall only make a passing reference to the more salient features of such changes. The anticipated increase in revenue is most conspicuous under Customs, Excise, Forest, Taxes on Income, Interest, Police, and State Transport. The betterment of revenue under Customs if mostly under Land Customs, supplemented by an increase under Excise duty on matches, including contribution from the Government of India. An increase of Rs $6\frac{1}{2}$ lakhs over the estimated receipts from the Cochin Harbour also accounts for the improvement in revenue under customs. The lion's share of the enhanced receipts under Excise is taken up by Abkari. The large demand for our forest produce, especially timber, and the high prices which they continue to command in the present market, account for the appreciation of revenue under forests. The substantial increase under Taxes on Income is the natural reflection of the plethora of money in the land. The larger investments of our surpluses in gilt-edged securities and in commercial and other undertakings of the kind have contributed to the larger receipts under interest. The operation of the Vehicles Tax

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